

REPORT ON FACILITIES MASTER PLAN AND CAPITAL PROJECTS REQUESTS

In the 1996 Regular Session of the Legislature Act 96-539 was enacted. Act 96-539 was later codified as Section 16-5-15 of the Code of Alabama. Section 16-5-15 requires all public institutions of higher education to submit to the Alabama Commission on Higher Education a Facilities Master Plan. This plan is to include all capital project proposals and requires prioritizing of the capital improvement budget requests.

Project Requests

All public two and four-year institutions submitted the Facilities Master Plan to the Alabama Commission on Higher Education in accordance with Section 16-5-15. The five years reported are broken into three time segments, Immediate, Intermediate and Long-Term capital projects. Immediate projects are defined as those within the first year of the master planning cycle (FY 2004-2005). Intermediate projects are defined as those within the second year of the planning cycle (FY 2005-2006) while Long-Term projects fall into the last three years of the planning cycle (FY 2006-2007, 2007-2008, and 2008-2009). The projects are further divided into four separate project categories: New Construction/Acquisition; Renovation and Remodeling; Major Capital Equipment and, Deferred Maintenance/Facilities Renewal. The four charts immediately following this section show the percentage of Immediate, Intermediate, Long-Term and Total projects broken into the project categories.

Immediate Capital Projects

Under Attachment 1, Table 1 summarizes the Immediate (Year 1) capital projects proposed by the institutions. As detailed on Table 1, \$886,774,699 was reported in Immediate capital projects, 35.48% (\$314,586,799) of which entail requests for funds from the Education Trust Fund (ETF). An additional 16.49% (\$146,258,558) of funds were projected to come from other State sources such as bond issues. Institutions also use funds they have raised in capital campaigns, federal and local funds, and tuition and fees along with other sources to fund proposed capital projects.

Almost 30% of all funds requested for Immediate capital projects are going for Renovation/Major Remodeling and Deferred Maintenance/Facilities Renewal Projects. An additional 2.3% of the funds requested are for Major Capital

Equipment. Many of the projects in this category would also qualify in the Deferred Maintenance/Facilities Renewal column. As can be seen by this, one-third of all funds requested for Immediate Capital projects would go toward projects for the maintenance, alterations and repairs of existing facilities.

Intermediate and Long-Term Projects

Table 2, under Attachment 1, provides a summary of the Intermediate (Year-2) Capital Projects Requests. The Intermediate Projects amount to \$452,262,811. Almost 50% of these projects are projected to be funded with either ETF or other State funds. Almost 41% of the requested funds for these projects fall in categories other than New Construction/Acquisition. Not all institutions were able to project the funding sources for the Long-Term projects so it cannot be reported how much of these projects come from ETF or other State funds, however as can be seen on Table 3 of the amount requested, over 1.1 billion, over 37% of the Long-Term projects fall into project categories other than New Construction/Acquisition.

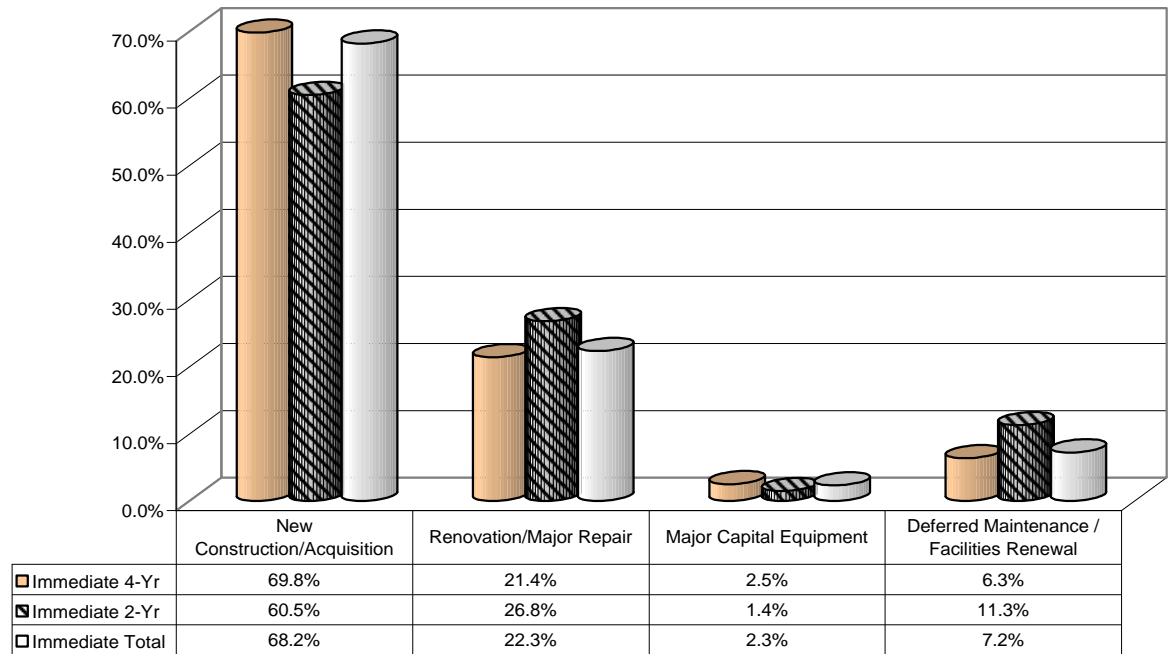
Summary

In summary, 36% of all capital projects requests are maintenance, alterations or repairs of existing facilities or equipment. Over 51% or about \$686 million, of all of the funds requested for the Immediate and Intermediate projects were projected to come from either ETF or Other State funds. A total of over \$2.4 billion is projected as being needed to cover the capital projects requests of the four and two-year institutions over the next five years.

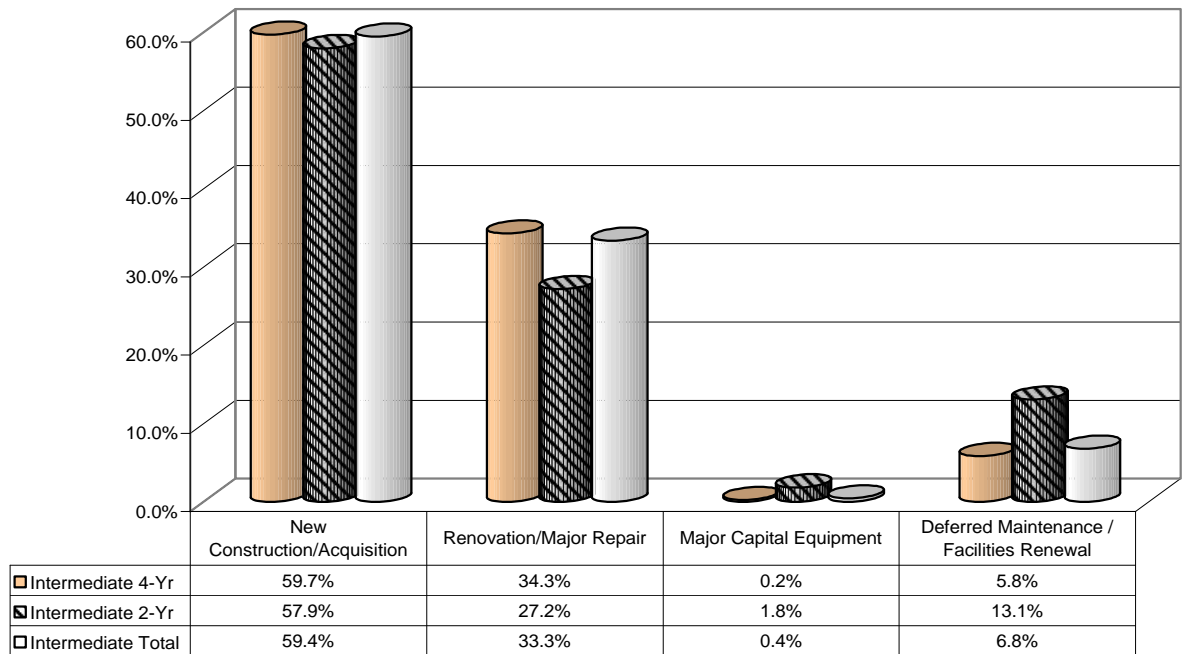
Under Attachment B is a priority listing of Immediate and Intermediate capital projects included in each institution's Facilities Master Plan. This summary displays projects by priority assignment, category of need, projected funding source(s), and basis of the requirement or need. These institutional reports also include the dollar amounts of the Immediate and Intermediate capital requirements requests broken into three projected funding source categories, state funds from the ETF, other state funds, and other funds.

Each individual institution's submission is on file at the Alabama Commission on Higher Education. These reports go into more detail about each Immediate and Intermediate Capital Requirements project. Estimated cost and net and gross square footage are detailed in these reports. A brief statement of justification for the project is also included for each project. Additional information on these projects may be acquired by contacting the Alabama Commission on Higher Education.

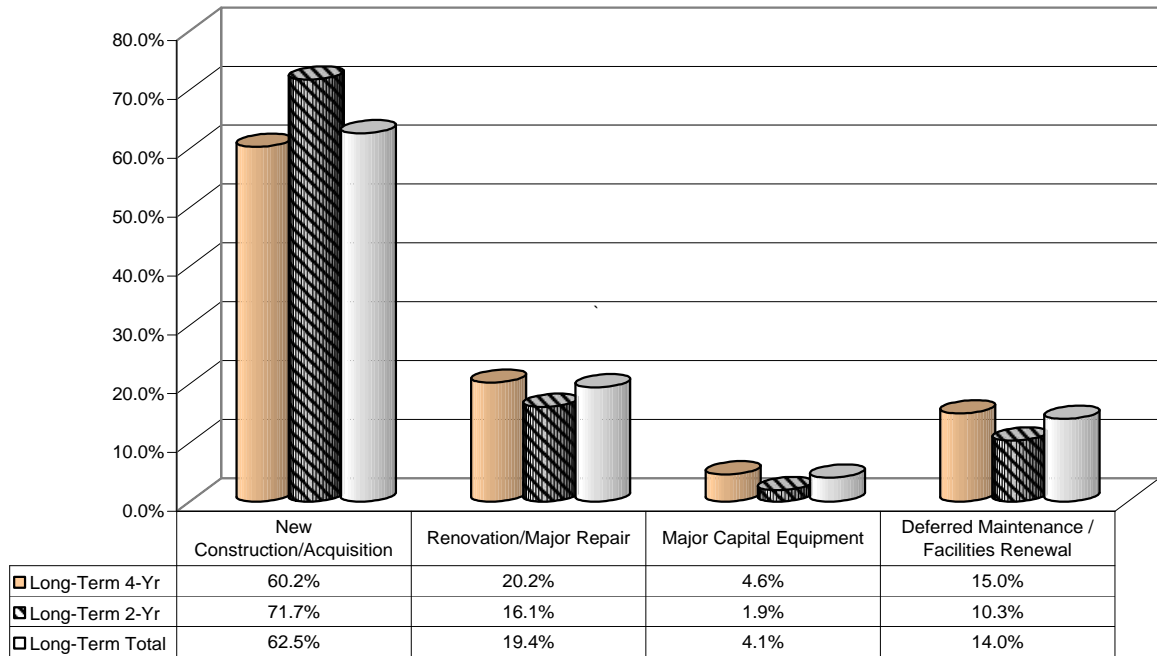
Immediate Capital Requirements Projects by Category



Intermediate Capital Requirements by Category



Long-Term Capital Requirements by Category



Total Capital Requirements by Category

